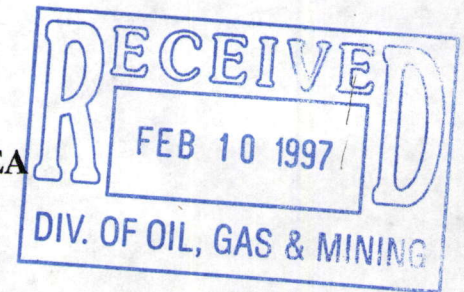


AMENDED PLAN OF OPERATION
SEC 29, T. 22 S., R. 9 E.
SAN RAFAEL SWELL RESOURCE AREA
EMERY COUNTY, UTAH



FEBRUARY 4, 1997

Claims: BJ-5 BLM UTM# 212729 NW/4, OF SW/4, sec. 29

Claim Owner: John E. Welsh, 801-278-6657
4780 Bonair St., Salt Lake City, Utah

Claim Operator: Phillip M. Palmer 801-896-8870
P.O. Box 35
1600 South Red Hills Drive
Richfield, Utah 84701

In the last week of January, Tuesday the 28, 1997, Phillip Palmer and Clint Henrie (Diamond K) met Neil Simmons (BLM) and Dean Nuffler (BLM) at the Diamond K quarry and discussed the status of the quarry and direction the quarry should take in the 1997 year. We discussed moving to Area B and also moving to Area C. Later that same week on February, 1, 1997, Phillip Palmer (Diamond K) met with John Welsh (Owner) at the Diamond K Quarry, and further discussed Areas C and B.

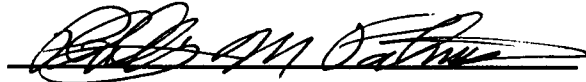
Quarry in Claim BJ-2 The quarry has been mined out in Area A. Area A encompassed on the map was 15 acres, but the total acreage disturbed was only 8 ½ and 4 ½ of that was reclaimed in 1994. The four remaining acres will be recontoured, reseeded and reclaimed by the fall of 1997. Thus all of area A will be reclaimed by this time. If a road is ever needed to access Area C from the top that will be approached at a later date.

Quarry in BJ-5 It is herein proposed that the quarry be moved to Area B in claim 5. It has been found there is very little gypsum located in area B, approximately one acre. There will only be a disturbance of approximately 3 acres. To access this claim we will use an existing road coming off the Moore Road into Area B.

Enclosure: Scale 1 : 6,000 Map of Claims and Quarry Areas.

Statement of compliance: In regards to hazardous materials contamination on the claim there will be no diesel fuel storage on the claims. All oils and greases are contained in the service truck which commutes to the quarry each day of work. In regards to any contamination in this manner it will be cleaned up and disposed of in the proper manner. If at any time there is any noxious weeds we will grub them out and dispose of them in the proper manner. All Federal, State and County Transportation, Water Quality, Air Quality, Solid Waste Disposal laws and regulations will be complied with. I will complete all necessary reclamation of areas disturbed during the course of my operations to the standard described in 43 CFR 3809.1-3(d) and that reasonable measures will be taken to prevent unnecessary or undue degradation of the federal lands during operations.

Signature of operator:



Dated 2/6/97

Phillip M. Palmer

Original to: Mr. Neil Simmons
San Rafael Resource Area Management
900 North 700 East
Price, UT 84501

Copies to: Tony Gallegos
Utah Oil, Gas and Mining Division
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

John E. Welsh
4780 Bonair Street
Salt Lake City, UT 84117

we read; quarry 5 acres 50 1/4 BT 2 '94 '95 +